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September 25, 2006

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 - 12th Street, S.W.
Washington, D.C. 20554

REDACTED FOR PUBLIC INSPECTION

Re: *WT Docket No. 06-114*
Applications for Assignment of Licenses from Denali PCS, L.L.C. to
Alaska DigiTel, L.L.C. and the Transfer of Control of Interests in Alaska
DigiTel, L.L.C. to General Communication, Inc.

On September 15, 2006, applicant General Communications, Inc. ("GCI") filed with the Commission under request for confidential treatment a letter of intent ("LOI") that GCI had entered into with Dobson on July 26, 2004. GCI reported to the Commission that the LOI was "just discovered" on September 13, the day it filed, with co-applicants Alaska DigiTel, LLC ("DigiTel") and Denali PCS, LLC ("Denali"), a *Joint Response to September 6, 2006 Submissions of MTA Wireless and ACS Wireless ("Joint Response")* in this proceeding, in which it continued to insist that its "reseller agreement with Dobson is not unlike other such agreements in the wireless marketplace." MTA Communications, Inc., d/b/a MTA Wireless ("MTA Wireless") hereby comments on this new submission into the docket and on GCI's accompanying argument.

The LOI by all measures confirms MTA Wireless' argument throughout this proceeding that GCI and Dobson are participants in a far-ranging strategic relationship warranting close examination by the Commission as part of its public interest evaluation of GCI's proposed acquisition of DigiTel and Denali. GCI insults the intelligence of the Commission by continuing to attempt to characterize that relationship as a "standard reseller agreement." See Applicant's *Joint Opposition to MTA Wireless' Supplemental Comments*, filed August 8, 2006, at 16-21.

Notably, the LOI was executed by GCI and Dobson concurrently with their Agreement of July 26, 2004, which, as has been extensively reviewed by the parties, is comprised of (hereinafter, collectively, "Strategic Agreement"). It is clear that the LOI was intended by the parties as a framework to help develop their multi-faceted relationship during the term of the Strategic Agreement. The document addresses on which the parties will cooperate, as well as measures to

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. If GCI believes that this set of

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undertakings, when considered together with the Strategic Agreement and with GCI's Long Term *De Facto* Spectrum Transfer Lease Agreement with Dobson, somehow qualifies as nothing more than a "standard reseller agreement," then MTA Wireless submits that GCI should demonstrate other examples of such "standard" relationships between direct competitors in the wireless market.

Yet, GCI, while producing the document into the record, immediately seeks to discount its importance by asserting that it has failed to reach agreement with Dobson to implement any of the salient terms of the LOI since its signing, thereby demonstrating that the parties are, in fact, acting "independently and on an arms length basis" from one another. While it is understandable why GCI is anxious to deflect the Commission's attention from the significance of the LOI, the reported lack of progress by the parties' in implementing the terms of the document by GCI's counsel cannot be accorded any weight, and in any case is not credible.

In offering a series of status reports on the implementation of the LOI's terms, GCI's counsel has failed to offer a scintilla of substantiation by either its client, or by Dobson, of the weighty assertions made. This is simply not an acceptable way under the Commission's rules for Applicants to attempt to conduct a critical fact-finding process. Moreover, counsel's allegation that the failure of the parties to make more expeditious progress toward their several strategic cooperative goals can by no means evidence that the LOI is a dead letter. As has been established, the Strategic Agreement has been entered into for an "initial term" of _____, and the LOI is, by all implications, intended to be coterminous with it.

GCI is not suggesting that it has been renounced. It clearly remains one of the executory elements of the GCI-Dobson strategic relationship.

GCI and Dobson, therefore, have had little more than two years in which to begin implementation of the several undertakings outlined in the LOI which, it bears remembering, are in addition to the numerous agreements set forth in the Strategic Agreement, on which the parties have presumably had to concentrate so far. This means that GCI and Dobson still have a minimum of _____ years remaining, _____, within which to address the joint projects outlined in the LOI.

Thus, even if the bald assertions of GCI's counsel in its September 15 letter were to be given credence, the fact that

_____ could hardly be accepted as proof that these objectives might not be achieved in the years to come. Indeed, relationships brought to light in this proceeding, as well as developments in the Alaska telecommunications market since the signing of the LOI, help explain the importance of a number of the cooperative undertakings that GCI and Dobson have outlined for themselves, and suggest that the likelihood of their future, if not present, implementation warrants continued scrutiny.

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(a) . First, there is GCI's declaration . . . " GCI's significant agreement with Sprint Nextel to terminate northbound MTA traffic as well as to originate southbound calling card and toll-free 800 service from Alaska is a matter of public record. See GCI Form 10-K for fiscal year ending December 31, 2005, filed with the Securities and Exchange Commission, at 20. To help , GCI and Dobson have agreed to

Obviously, GCI's acquisition of DigiTel, which operates a CDMA network, would jumpstart such an effort. DigiTel also has its own established relationship with Sprint, preliminarily analyzed by MTA Wireless in its September 6, 2006 *Reply to Applicants' Filings* (at 26-27) on the basis of the limited information made available so far by Applicants.

As MTA Wireless identified in that filing,

. Predictably, the Applicants have sought in their *Joint Response*, at 30, to dispute any ongoing relevance of the DigiTel relationship with Sprint, for which GCI would assume responsibility should it take control of DigiTel. The LOI, however, sheds new light on GCI's interest in with the assistance of Dobson. As a result, the future role of the and how it will relate to GCI's own warrants examination in the context of this proceeding. This analysis will provide the Commission a more complete understanding of GCI's proposed acquisition of DigiTel in the context of the larger and more complex web of relationships that GCI is structuring with other participants in the Alaska wireless market. The LOI provides that, even

Evidence of GCI's desire to leverage its planned control of roaming facilities in Alaska for the benefit of transport customers like Sprint Nextel gives credence to ACS Wireless' request that the Commission revisit the regulatory status of GCI's fiber optic capacity between Alaska and the lower 48 states. It also confirms the importance of the Commission insisting that DigiTel's agreements with Sprint that have been produced to counsel for MTA Wireless and ACS Wireless be included by Applicants in the record in this docket. MTA Wireless further requests that the Commission order the Applicants to produce into the record copies of any other letters of intent, memoranda of understanding or agreements of any nature with Sprint Nextel or its affiliates affecting or relating to the provision of mobile telephony services.

(b) . GCI's counsel offers the unsubstantiated assertion that none of the of the LOI have been developed yet and, therefore, are not currently part of GCI's service offering under its resale arrangement with Dobson. Putting to one side the need for factual verification of this allegation, the fact of the matter is that GCI has secured its authority to compete in the local exchange market in Alaska only within the last year, and is only now starting to deploy its local exchange service offering in the service area of MTA Wireless' parent organization, Matanuska

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Telephone Association (“MTA”). *See* Regulatory Commission of Alaska Order No. U-05-4(1), released September 23, 2005. As a result, GCI’s use of such [REDACTED] is now of ever increasing relevance to GCI’s effort to secure for itself a competitive advantage in the local exchange market. There is, therefore, every reason to believe that GCI is motivated to pursue with Dobson the deployment of such service enhancements going forward.

(c) [REDACTED]. Paragraph 3 of the LOI discusses GCI’s and Dobson’s agreement to [REDACTED]

[REDACTED] specifically in the service area of MTA Wireless’ parent organization, MTA, as well as other rural markets in Alaska. Since execution of the LOI and the Strategic Agreement, both Dobson and GCI have actively pursued designation of ETC status in Alaska to qualify for federal universal service support for their service offerings. Dobson applied for ETC designation in a number of Alaska markets in May 2005 and received designation in January of this year. *See* Regulatory Commission of Alaska Order No. U-05-41(1), released January 25, 2006.

In support of its new role as a competitive local exchange carrier, GCI has applied for ETC designation in MTA’s service area. In defending its ability to provide service throughout the incumbent’s study area as required by section 214(e)(1) of the Communications Act, GCI has represented to the Regulatory Commission of Alaska that it will use a combination of its own facilities and “resale of other carriers’ services.” *See* GCI’s Responses to Order Requiring Filings, Docket U-06-41, filed June 9, 2006, at 5. Among the carriers that GCI has represented it exchanges local traffic with are both Dobson and DigiTel. Application of GCI Communications Corp. for Designation as an Eligible Telecommunications Carrier, Docket U-05-41, filed May 2, 2006, at 5. There can be no question, therefore, that [REDACTED] is very much an issue of current importance to both GCI and Dobson.

MTA Wireless further notes that the record in this proceeding evidences that GCI already is including DigiTel’s subscribers in its own wireless subscriber count. *See* Comments/*Ex Parte* Filing and Petition to Intervene of ACS Wireless, Inc., filed July 21, 2006, at 8. Should GCI secure ETC designation, either as a local exchange carrier or a wireless competitor, it will be important that its subscribers and those of DigiTel be separately accounted for so that universal service support is not given to both carriers for the same customers.

Summary. The LOI is yet another piece of evidence of the strategic relationship in which GCI and Dobson are engaged reaching far beyond any form of “standard reseller agreement.” In producing this document into the record, GCI argued that the LOI does not “in its own right constitute a ‘resale/wholesale and spectrum leasing agreement(s)’ between GCI and Dobson” of the nature the Commission formally requested on June 9 be submitted. This statement suggests that other agreements, letters of intent or memoranda of understanding or cooperation might exist between GCI and Dobson that have not yet been brought to light.

Given the fact that the strategic relationship between GCI and Dobson represents “coordinated interaction” of direct competitors of the nature that the Commission must consider

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in weighing the public interest impact of the Applicants' proposed transaction, MTA Wireless submits that it is critical that documentation of all such undertakings between GCI and Dobson be produced into the record, and requests that the Commission ask GCI to produce at this time all such further records. Moreover, since GCI and its co-Applicants feel so strongly that the relationship with Dobson is nothing more than a "standard reseller agreement," MTA Wireless calls on the Applicants to withdraw their request for confidential treatment of such documentation, and produce all such documents in unredacted form for public inspection.

Sincerely yours,

/s/ Stefan M. Lopatkiewicz

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